

NZX Announcement

31 January 2018

For immediate release

SECOND QUARTER, FINANCIAL YEAR TO 30 JUNE 2018

NZ Windfarms Limited ("NWF") is pleased to disclose operating statistics for the December quarter:

Second Quarter – 1 October 2017 to 31 December 2017

	<u>2018</u>	<u>2017</u>	<u>% Change</u>
Electricity generation output - MWh	26,753	34,164	-21.7%
Revenue from wholesale electricity sales	\$2,023,000	\$1,378,000	+46.8%
Revenue from hedge contracts	\$145,000	-	-
Total revenue (wholesale plus hedges)	\$2,168,000	\$1,378,000	+57.3%
Average electricity price - \$/MWh (pre/post hedging outcomes)	\$75.62/\$81.04	\$40.33/\$40.33	+87.5%/+100.9%
Turbine availability (average)	98.63%	95.6%	+3.2%

The quarter was marked by relatively high wholesale market pricing as South Island hydrology remained poor. This successfully offset relatively low production to yield strong revenues for the quarter. ASX Futures Contracts revenues amounted to around 7% of total revenues for the quarter.

Revenue from wholesale market electricity sales rose 46.8% to \$2.023 million for the quarter, compared to Q2 2017. Output for the quarter was 21.7% lower at 26,753MWh, and average wholesale market electricity prices received were 87.5% higher, at \$75.62/MWh, than for the previous corresponding period. When hedging revenue is included, total revenues for the period were \$2.168 million, up 57.3% from the previous corresponding period.

Production for the quarter was relatively low, but remained within the range anticipated from long term weather data. Production was negatively impacted by a five-day continuous Transpower grid outage in December, which meant we were unable to capture around 1.6GWh of wind resource with a wholesale market value of approximately \$230k (a loss of 10% of potential revenue for the quarter – notwithstanding strong revenues for the quarter). While we were successful in having the outage moved from the 2017 winter until December (when pricing is typically weaker), high December pricing made the outage revenue impact significant. Availability remains very strong at 98.6%, and the transmission outage permitted maintenance and renewal work to take place.

ENDS

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